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CHAIR



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MARYLAND HEALTH CARE COMMISSION

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MARYLAND HEALTH CARE COMMISSION

Thursday, October 16, 2008
Minutes

Chair Moon called the meeting to order at 1:05 p.m.

Commissioners present: Conway, Falcone, McLean, Moore, Olsen, Ontaneda-Bernales, Todd, Wilensky, and Worthington.

ITEM 1.

Approval of the Minutes

Commissioner Falcone made a motion to approve the minutes of the September 18, 2008 meeting of the Commission, which was seconded by Commissioner Todd, and unanimously approved.

ITEM 2.

Update of Activities

Rex Cowdry, M.D., Executive Director, noted that Commission staff had recently conducted a series of legislative briefings before various committees. He asked Nicole Stallings, Chief, Government Relations and Special Projects, to provide an update to the Commission. Ms. Stallings said that Dr. Cowdry and Bruce Kozlowski, Director Center for Health Care Financing and Policy, briefed the Joint Committee on Health Care Delivery and Finance on Small Group Market Reform Options. Dr. Cowdry noted that options for small group reform will be discussed further with the Commission, perhaps as an educational session. Staff has issued a series of briefings on the State's recent health care expansion. She said that during the 2009 legislative session, which begins on January 14, 2009, staff will brief the House Health and Government Operations Committee and the Senate Finance Committee on the implementation and enrollment of the Health Insurance Partnership, the State's new subsidy program for small businesses. Ms. Stallings informed the Commission that Dr. Cowdry also recently presented an update on the Mental Health Task Force to the Joint Committee on Access to Mental Health Services. This Task Force was established in 2007 budget language to develop a plan to guide the future mental health service continuum needed in Maryland.

Ms. Stallings said staff has been asked conduct two additional briefings; David Sharp, Director for the Center for Health Information Technology, will present to the Joint Technology Oversight Committee on

health information technology and Ms. Stallings and Ben Steffen, Director for the Center for Information and Services and Analysis, will present to the Joint Committee on Health Care Delivery and Finance on mandating health insurance coverage for children. Ms. Stallings mentioned that staff will be bringing a number of legislatively mandated reports before the Commission for their approval leading up to the 2009 legislative session.

David Sharp, Director of the Center for Health Information Technology, noted that staff was invited to present to the Joint Technology Oversight Committee on November 12th to explain strategies and activities related to the expansion of health information technology in Maryland.

ITEM 3.

ACTION: COMAR 10.25.14 – Health Care Data Collection from Maryland Health Care Practitioners

Ben Steffen, Director of the Center for Information Services and Analysis, presented regulations, COMAR 10.25.14.01 – Health Care Data Collection, for final action. Mr. Steffen said the regulations formalize a data sharing arrangement between the Board of Physicians and the Maryland Health Care Commission. He also said the regulations were adopted as proposed permanent regulations at the July 17, 2008 public meeting of the Commission. After discussion, Commissioner Olsen made a motion to adopt the regulations as final, which was seconded by Commissioner Todd, and unanimously approved.

ACTION: COMAR 10.25.14 – Health Care Data Collection from Maryland Health Care Practitioners – is hereby ADOPTED as final regulations.

ITEM 4.

ACTION: Certificate of Need

- Levindale Hebrew Geriatric Center and Hospital (Docket No. 08-24-2247)

Levindale Hebrew Geriatric Center and Hospital (“Levindale”) applied for a Certificate of Need to expand its existing facility. Paul Parker, Chief, Certificate of Need, presented the staff recommendation. Mr. Parker said the proposed project will add 38 additional comprehensive care beds at Levindale, acquired from other facilities in Baltimore City, which would bring the facility’s total bed complement to 210 comprehensive care beds. Mr. Parker said staff recommended that the proposed project be approved, with conditions. Mr. Parker noted that Levindale had asked for an amendment to the second condition to clarify that it only restricted Levindale from seeking licensure of the 18 beds being replaced and relocated from John Hopkins Bayview Medical Center (“Bayview”) until an equivalent number of beds are permanently delicensed at Bayview. He noted that this was the intent of the condition and staff had no problem with accepting this as a “friendly” amendment. Commissioner Falcone made a motion to accept the staff recommendation, with the second condition amended to clarify its intent, which was seconded by Vice Chair Wilensky, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from consideration of this matter.

ACTION: Certificate of Need for Levindale Hebrew Geriatric Center and Hospital is hereby APPROVED, with conditions.

- St. Mary's Hospital (Docket No. 08-18-2248)

St. Mary's Hospital applied for a Certificate of Need to expand and renovate its existing facility. Joel Riklin, Health Policy Analyst, presented the staff recommendation. Mr. Riklin said that St. Mary's Hospital sought to expand its medical/surgical, obstetric, and psychiatric bed capacity, operating room capacity, and emergency department capacity. He noted that the expansion of medical/surgical bed capacity was consistent with the updated bed need projections adopted as an emergency regulation in September. Mr. Riklin said that new building space would be constructed at three locations totaling 140,570 square feet, and that the facility would be renovating 64,760 square feet of existing space. Mr. Riklin said the estimated cost of the project is \$89,126,328 with the sale of bonds as a primary funding source. He also noted, as a change in the information provided in the staff report, that the Maryland Hospital Association's Hospital Bond Review Program had recently notified the hospital that it will award the project \$1,800,000 in funding, if the project is approved by the Commission. Mr. Riklin noted that standard conditions concerning shell space, which is a component of the project, and a condition concerning efforts to minimize demand on the hospital emergency department by non-emergent cases, had been inadvertently omitted from the Final Order page in the staff report and directed the Commission's attention to a revised final order which had been distributed prior to the beginning of the meeting. On that basis, Mr. Riklin presented that staff recommendation to award a Certificate of Need, subject to: (1) the approval by the General Assembly's AELR Committee of Supplement 6 to COMAR 10.24.10, which was adopted by the Commission as emergency regulations on September 18, 2008; (2) the issuance of a positive financial feasibility opinion by Health Services Cost Review Commission staff; and (3) five conditions, addressing the inability to obtain rate adjustments for the cost of nursing unit space above the State Health Plan standard, shell space, and the use of the emergency department. The Certificate of Need for the project will issue as of the date that Supplement 6 is effective and HSCRC issues a positive financial feasibility opinion. After discussion and questions answered by the hospital, Commissioner Worthington made a motion to accept the staff recommendation, which was seconded by Commissioner Falcone, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from consideration of this matter.

ACTION: Certificate of Need for St. Mary's Hospital is hereby APPROVED, subject to specified action by AELR and HSCRC, with conditions.

ITEM 5.

ACTION: Certificate of Need – Modification – Lorien LifeCenter – Ellicott City (Docket No. 05-13-2159)

Lorien LifeCenter of Ellicott City applied for a modification to its Certificate of Need to increase the capital costs for a 63-bed comprehensive care facility in Howard County. Mr. Parker said the facility received its initial Certificate of Need for this project in 1998 and had altered its project site twice, through new Certificates. The current Certificate of Need was awarded in October, 2005. He said the applicant requested the modification due to increases in the cost of the project. Mr. Parker noted that this project has been delayed in going forward in the last two years because of litigation involving the local government approvals associated with its development. Based on its analysis and findings, chief among which were the finding that the construction cost projected for the project were in line with current cost indices, staff recommended approving the request for modification of the Certificate of Need, with conditions. He noted that the facility anticipated the resolution of the final outstanding appeal of the site approval and that the conditions proposed reflected the time remaining to the applicant for completion of the project consistent with the original performance requirements stayed by the legal action. After discussion, Commissioner McLean made a motion to accept the staff recommendation, which was

seconded by Commissioner Falcone, and unanimously approved. Commissioner Ontaneda-Bernales recused herself from consideration of this matter.

ACTION: Certificate of Need Modification for Lorien LifeCenter – Ellicott City is hereby APPROVED, with conditions.

ITEM 6.

PRESENTATION: 2008 Health Plan Performance Report

Joyce Burton, Chief, HMO Quality and Performance, presented the 2008 Health Plan Performance Report. Ms. Burton said that Maryland has been publicly reporting HMO performance since 1997, and is the first state in the nation to provide consumers with comparison reporting of PPO health plans. She noted that four major health care providers joined together to voluntarily collect and report PPO comparative data in 2008. Ms. Burton said that overall performance has been steadily improving, however, Maryland members report less satisfaction compared to national and regional rates. Ms. Burton provided a summary of health plans with above-average scores, and well as above-average scores within the specific measured categories.

ITEM 7.

PRESENTATION: Update on the Status of the Maryland Physician Trauma Services

Ben Steffen, Center Director for Information Services and Analysis, provided an update on the status of the Maryland Physician Trauma Services Fund. Mr. Steffen noted that the Fund was established in 2003 to provide funding for physicians that serve the Maryland Trauma System by financing uncompensated care; under compensated Medicaid Services; on-call stipends to trauma center hospitals; and standby cost. He said the Maryland Health Care Commission administers the Fund. Mr. Steffen provided details on the trauma fund balance, as well as the distribution of payments in FY 2008. He also summarized the projected spending amounts for 2008-2009. Mr. Steffen noted several statutory expansions to the Fund, which became effective July 1, 2008.

Mr. Steffen, staff to the Task Force on Health Care Access and Reimbursement, discussed options under consideration by the Task Force. Mr. Steffen outlined the original legislative charge of the Task Force, as well as other charges. He provided details on the scope of possible recommendations which are: medical education; recruitment and retention; provider reimbursement rates; the balance of power between provider and payers; practice formation; and other efficiencies.

ITEM 8.

ADJOURNMENT

There being no further business, the meeting was adjourned at 3:30 p.m., upon motion of Vice Chair Wilensky, which was seconded by Commissioner Todd, and unanimously approved.